

THE BIG RED BOOT COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008
Registered number 1487714

SATURDAY



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THE BIG RED BOOT COMPANY LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity during the year was the provision of retail facilities to sell designer clothing and footwear. From 1 January 2008 the company operated only as an e-commerce business and ceased to provide retail facilities.

The directors' acknowledge that the future year will be a challenging period, however remain confident that the business will continue to meet those challenges.

Principal risks and uncertainties

The directors of Pentland Group plc manage the group's risk at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of the The Big Red Boot Company Limited business.

The principal risks and uncertainties of Pentland Group plc which include those of the company, are discussed on page 2 of the group's annual report which does not form part of this report. Copies of the Pentland Group plc consolidated financial statements are available from the company secretary at 8 Manchester Square, London, W1U 3PH.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

RESULTS AND DIVIDENDS

The company's loss for the financial year is £0.2 million (2007: £0.2 million) and is shown in the profit and loss account on page 5. The directors do not recommend the payment of a dividend (2007: £nil).

DIRECTORS

The following directors who held office during the year and up to the date of signing the financial statements were:

A K Rubin	
J S Sinclair	(resigned 31 December 2008)
A M Long	(appointed 4 December 2008)

Pentland Group plc (the ultimate parent company) has provided an indemnity for the directors and the secretary of the company, which is a qualifying third party indemnity provision for the purposes of the Companies Act 1985.

GOING CONCERN

The directors, having taken account of the company's net cash resources and bank facilities, consider that the company has adequate resources to continue as a going concern for the foreseeable future. Therefore it is appropriate to adopt the going concern basis in preparing the financial statements.

THE BIG RED BOOT COMPANY LIMITED

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS AND THE DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information, being information required by the auditors in connection with the preparation of the auditors' report, of which the auditors are unaware. Having made enquiries of fellow directors and the group auditors, each director has taken all steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

By order of the board



P J Campbell
Company secretary
24 March 2009

THE BIG RED BOOT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BIG RED BOOT COMPANY LIMITED

We have audited the financial statements of The Big Red Boot Company Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

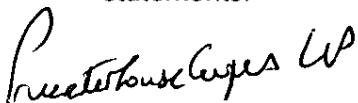
THE BIG RED BOOT COMPANY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BIG RED BOOT
COMPANY LIMITED (continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

24 March 2009

THE BIG RED BOOT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £'000	2007 £'000
Turnover	3	503	201
Loss on ordinary activities before taxation	4	(154)	(213)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	12	(154)	(213)

All amounts relate to continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

THE BIG RED BOOT COMPANY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 £'000	2007 £'000
Current assets			
Stocks	7	211	-
Debtors	8	504	96
Cash at bank and in hand		275	275
		<u>990</u>	<u>371</u>
Creditors : amounts falling due within one year	9	(4,152)	(3,379)
Net current liabilities		<u>(3,162)</u>	<u>(3,008)</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	(3,163)	(3,009)
Total shareholders' deficit		<u>(3,162)</u>	<u>(3,008)</u>

Approved by the board on 24 March 2009
On behalf of the board



A M Long
Director

The notes on pages 7 to 12 form part of these financial statements.

1 ACCOUNTING POLICIES

Basis of preparation These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently with the prior year, is given in the following paragraphs.

The financial statements have been prepared on a going concern basis as the ultimate holding company, Pentland Group plc, has committed to provide full financial support to enable the Company to meet its liabilities as they fall due for at least the next twelve months.

Depreciation The principal rates used are plant and equipment: 20-50%, fixtures and fittings: 10-33 1/3% on a straight line basis.

Stock Stocks are valued at the lower of cost and estimated net realisable value. Where necessary provision is made for obsolete, slow moving and defective stocks.

Foreign currencies Transactions in foreign currencies during the year are translated at the rate of exchange applicable at the transaction date, or if hedged forward, at the contracted rate. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, or contracted rates where hedging arrangements are in place.

Turnover Turnover comprises the value of external sales, excluding sales related taxes. Sales are recognised as they are invoiced following the passing of title of goods.

Retirement benefits The company's employees are members of a defined contributions scheme. The total expense recognised in the profit and loss account in relation to pensions represents the actual contribution paid on behalf of employees.

The impact of FRS 17: Retirement benefits on the defined benefit pension scheme has not been applied to the accounts as the employer is unable to identify its share of the underlying assets and liabilities. The disclosures required under FRS 17: Retirement benefits are disclosed in the financial statements of Pentland Group plc, the company's ultimate parent undertaking. Not all the company's employees are members of the defined benefit pension scheme.

Deferred tax Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date if transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The deferred tax for a period and any adjustments in respect of previous periods are recognised in the profit and loss account. Tax arising on gains and losses that have been recognised in the statement of total recognised gains and losses are recognised in that statement.

THE BIG RED BOOT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

2 CASH FLOW STATEMENT

Pentland Group plc, of which the company is an indirect wholly owned subsidiary, has presented in its consolidated accounts a group cash flow statement drawn up under the provisions of Financial Reporting Standard 1: Cash flow statements (FRS 1 revised 1996). Accordingly the company has taken advantage of the exemption available under FRS 1 to dispense with presenting its own cash flow statement.

3 TURNOVER

The whole of the company's turnover is derived from the company's principal activity within the United Kingdom.

4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2008 £'000	2007 £'000
Turnover	503	201
Cost of sales	(240)	(296)
Gross profit/(loss)	263	(95)
Net operating expenses		
Distribution costs	(417)	(82)
Administrative expenses	-	(36)
Loss on ordinary activities before taxation	(154)	(213)

The following are included within operating expenses:

	2008 £'000	2007 £'000
Staff costs		
Wages and salaries	46	235
Social security costs	3	20
Other pension costs	3	2
	52	257
Auditors' remuneration – audit services	6	6

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

5 DIRECTORS AND EMPLOYEES

The average monthly number of persons, including directors, employed by the company during the year was:

	2008 Number	2007 Number
By activity:		
Management and administration	2	5
Selling and distribution	-	5
	<u>2</u>	<u>10</u>

The directors' did not receive any emoluments in respect of their services to the company during the year (2007: £nil).

6 TAX ON LOSS ON ORDINARY ACTIVITIES

Based upon the results, for the current and prior year, there was no tax payable.

The tax assessed for the year is higher (2007: higher) than the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below:

	2008 £'000	2007 £'000
Loss on ordinary activities before taxation	(154)	(213)
Loss on ordinary activities multiplied by standard rate in UK 28.5% (2007: 30%)	(44)	(64)
Effects of:		
Group relief surrendered for £nil consideration	55	104
Other timing differences	(7)	(40)
Adjustment in respect of prior year	(4)	-
Current tax charge for the year	<u>-</u>	<u>-</u>

7 STOCKS

The company's stock consists of finished goods held for resale.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

8 DEBTORS

	2008 £'000	2007 £'000
Amounts owed by fellow subsidiary undertakings	459	96
Prepayments and accrued income	45	-
	<u>504</u>	<u>96</u>

Amounts owed by fellow subsidiary undertakings are unsecured, interest free and have no fixed date of repayment.

9 CREDITORS: amounts falling due within one year

	2008 £'000	2007 £'000
Bank overdraft	3,989	3,358
Trade creditors	2	-
Amounts owed to fellow subsidiary undertakings	111	19
Taxation and social security	-	2
Accruals and deferred income	50	-
	<u>4,152</u>	<u>3,379</u>

Amounts owed to fellow subsidiary undertakings are unsecured, interest free and have no fixed date of repayment.

10 DEFERRED TAXATION

The full potential deferred taxation asset, which has not been recognised, is as follows:

	2008 £'000	2007 £'000
Depreciation in excess of capital allowances	66	80
Other timing differences	7	-
	<u>73</u>	<u>80</u>

The directors consider that there is insufficient certainty that there will be taxable profits within the Pentland Group Plc tax group in the future such as to realise the deferred tax asset, and therefore the asset has not been recognised in these financial statements.

THE BIG RED BOOT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

11 CALLED UP SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised		
1,000 ordinary shares of £1 each	1	1
Allotted and fully paid		
1,000 ordinary shares of £1 each	1	1

12 RESERVES

	Profit and loss account £'000
At 1 January 2008	(3,009)
Loss for the financial year	(154)
At 31 December 2008	(3,163)

13 COMMITMENTS AND CONTINGENCIES

Bank overdrafts are reported gross but the company and its UK fellow subsidiary undertakings have arrangements with their clearing banks whereby sterling and, if applicable, US dollar and euro cleared credit balances are set off against the respective sterling and foreign currency cleared debit balances on their current accounts and interest is paid only on the aggregate net overdrafts.

The company is party to a guarantee in favour of its bank regarding the aggregate indebtedness on the cleared current account balances in sterling, US dollars and euros, respectively, of Pentland Group plc and of several UK fellow subsidiaries, which together comprise the overdraft group and participate in the set-off arrangements with the bank.

The company's liability under the guarantee is limited to the lower of the account indebtedness of the relevant group companies and its own current account credit balances in sterling and the respective foreign currencies with the bank.

14 RELATED PARTIES

Pentland Group plc, of which the company is an indirect wholly owned subsidiary, has presented in its consolidated accounts, which are publicly available, a related parties disclosure note under the provisions of Financial Reporting Standard 8: Related party disclosures (FRS 8). Accordingly, the company has taken advantage of the exemption available under FRS 8 to dispense with disclosing related party transactions with entities within the group, or investees of the group, qualifying as related parties.

Related party transactions with JD Sports Fashion plc (formerly John David Group plc) in 2008 comprised of sales of £nil (2007: £15,074) and expenses of £nil (2007: £5,280). The balance due from The John David Group Plc (formerly John David Group plc) at 31 December 2008 was £nil (2007: £ nil).

15 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Pentland Industries Limited, a company registered in England, which has prepared accounts for the year ended 31 December 2008 and these can be obtained from the company's registered office at 8 Manchester Square, London W1U 3PH. The immediate and ultimate parent undertaking is Pentland Group plc, a company registered in England. R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group plc. Consolidated accounts have been prepared by Pentland Group plc, which is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statement for the year ended 31 December 2008. The consolidated accounts of Pentland Group plc can be obtained from the company's registered office at 8 Manchester Square, London W1U 3PH.